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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re:

MICHAEL BRUNKEL

Debtor.

Chapter 13

No: 0-10-bk-08870-JMM

WELLS FARGO FINANCIAL ARIZONA,
INC.,

Movant,

v.

MICHAEL BRUNKEL and
RUSSELL BROWN, Trustee,

Respondents.

**MOTION FOR RELIEF FROM THE
AUTOMATIC STAY**

Movant, the holder of a claim secured by an interest in certain real property and rents, issues and profits therefrom, hereby move and apply to the Court for an order modifying the stay provided by 11 U.S.C. §362 and other stays against lien enforcement with respect to the property, rents, issues and profits; and enjoining or conditioning the use, sale or lease of such property, rents, issues and profits as necessary to provide adequate protection of Movant's interest in the

1 property. The relief requested is more particularly set forth in the following Memorandum of
2 Points and Authorities, upon which this Motion and Application is based.

3 **MEMORANDUM OF POINTS AND AUTHORITIES**

4 **FACTS:**

5 1. Movant is the present owner and holder of a Note and Deed of Trust, which is a
6 valid and perfected lien on the real property described in the contract (hereinafter the "Property")
7 together with any rents, issues and profits therefrom. True copies of the Note and Deed of Trust
8 are attached hereto as Exhibits "A" and "B", respectively, and made a part hereof by this
9 reference.

10 2. Movant is a party with a possessory interest in the Property evidenced by the Note
11 and Deed of Trust described as follows:

12 LOT 20, OF CASITAS DEL VALLE TOWNHOUSES,
13 ACCORDIN TO THE PLAT OF RECORD IN THE
14 OFFICE OF THE COUNTY RECORDER OF YUMA
COUNTY, ARIZONA, RECORDED IN BOOK 9 OF
PLATS, PAGE 20.

15 3. The Debtor, if any, has, claims or may claim an interest in the Property which are
16 junior and subsequent to Movant's interest.

17 4. This Application and Motion arises under Title 11, U.S.C. in the following
18 described case which has been referred to and is pending in the United States Bankruptcy Court
19 for the District of Arizona:

20
21 DEBTOR: MICHAEL BRUNKEL

22 CASE NUMBER: 0-10-bk-08870-JMM

23 CHAPTER: 13

24 FILING DATE: March 30, 2010

25 5. The Debtor is in default for failure to pay installments under said Note and Deed
26 of Trust, leaving a balance due in the principal sum of \$152,317.80, plus accrued and accruing
27 interest.

1 6. The Debtor is currently delinquent relative to installment payments for the period
2 of April 4, 2010 through June 4, 2010. There have been no further payments or any provision for
3 adequate protection.

4 7. Movant has incurred, or may incur, certain costs, including, without limitation,
5 foreclosure title searches, attorneys fees, trustee's fees, taxes, insurance premiums, court costs,
6 costs of sale, and other costs, all of which are secured by the Note and Deed of Trust.

7 8. Pursuant to the Note and Deed of Trust, the entire unpaid principal, interest, late
8 fees, and costs are due and payable and Movant does hereby declare the entire unpaid principal,
9 interest, and charges due and payable.

10 9. Movant is informed and believes and therefore allege that the Debtor, if any, are
11 using the Property.

12 10. Movant does not have, and has not been offered, adequate protection for Movant's
13 interest in the Property.

14 11. Movant is informed and believes and therefore alleges that Debtor has no
15 reasonable prospect or reorganization.

16 12. Movant is informed and believes and therefore alleges that the fair market value of
17 the Property after deduction of selling costs is less than the sum of Movant's secured claims plus
18 other liens, encumbrances, and exemptions provided by law and that the Property, rents, issues
19 and profits therefrom are burdensome and inconsequential value to the estate.

20 LAW:

21 (A) AUTOMATIC STAY:

22 Pursuant to 11 U.S.C. §362(d) Movants are entitled to relief from the automatic stay to
23 enforce their lien or either of two grounds: (1) for cause including lack of adequate protection of
24 an interest in the Property, or (2) the Debtor has no equity and the Property is not necessary to an
25 effective reorganization. Implicit in the second of these is that, unless a reorganization is
26 contemplated and feasible, a creditor is entitled to relief from the automatic stay if the Debtor has
27 no equity in the Property. *E.g., Frankford Trust Company v. Dublin Property, (In re Dublin*
28 *Properties)*. 4 C.B.C. 2d 885, 889 (E.D. Pa., Bankr., 1981).

1 On only one issue does a Movant requesting relief from the stay have the burden of proof
2 and that is the issue of the Debtor's equity in the Property. On all other issues any party opposing
3 relief has the burden of proof. 11 U.S.C. §362(g). Unless a party opposing relief produces
4 evidence on these points, a Movant is entitled to relief without presenting any evidence
5 whatsoever. *See, Gauvin v. Wagner (In re Gauvin)*, 8 C.B.C.2d 359, 361, 10BCD 219, 24 B.R.
6 578 (9th Cir BAP 1982). Moreover, if a party opposing relief alleges that an "equity cushion"
7 furnishes adequate protection, then that party must produce evidence and carry the burden of
8 proof even on the issue of equity. *Id*

9 (B) PRELIMINARY HEARING:

10 As noted above, any party resisting from the automatic stay or seeking to use property of
11 the estate must carry the burden of proof on the issue of adequate protection. A party requesting
12 relief from the stay receives it automatically 30 days after the date of its request unless the Court
13 after a notice and hearing orders the stay extended. 11 U.S.C. §362(e)(1). *See Dublin Properties*,
14 4 C.B.C. 2d at 889.

15 REQUEST FOR RELIEF:

16 For the reasons set forth above, Movant respectfully request:

17 1. That all stays, including without limitation, injunctions, restraining orders, and the
18 automatic stays provided by 11 U.S.C. §362 and §524, be vacated with respect to the Property, or
19 modified to permit Movant, or its agents, attorneys, employees and assigns and such other
20 persons as the Court shall deem appropriate to take any and all actions to assert its rights to the
21 Property under the Note and Deed of Trust, other security agreements, and non-bankruptcy law,
22 including without limitation the rights: to declare all sums secured to be immediately due and
23 payable; to exercise any assignment of rents; to bring a judicial foreclosure action in any Court of
24 competent jurisdiction; to apply all funds in the possession of the Movants under the provisions
25 of the Note and Deed of Trust or other security agreement; and to sell the Property or any part
26 thereof pursuant to the Note and Deed of Trust or to any other valid security agreement.

27 2. That, pending a final hearing on the merits, an order be entered permitting
28 Movants to record, mail, post and publish Notice of Trustee's Sale pursuant to A.R.S. §33-801 *et*,

1 seq; but enjoining Movants to continue the Trustee's Sale from time to time as necessary until this
2 Court grants further relief pursuant to 11 U.S.C. §362(d) or (e) or until the automatic stay expires
3 by operation of law.

4 3. In the alternative, that Movant is entitled to adequate protection of his interest in
5 the Property and more specifically in that alternative, that the Debtor be ordered to make periodic
6 cash payments to Movant equal to the fair rental value for the use and occupancy of the Property
7 from the date of bankruptcy and that the Debtor be directed to maintain adequate hazard
8 insurance on the Property to protect the interest of Movant and further, that Movant shall have a
9 claim with priority over every other claim allowable under 11 U.S.C. §507(a)(1) for any claim of
10 Movant arising from the failure of the Debtor to adequately protect the interest of Movant in the
11 Property.

12 4. Movant is also requesting that the Court allow Movant to immediately secure its
13 collateral/property without having to wait fourteen (14) days from the date of this Order as
14 otherwise required under Rule 7062. Good cause exist for this insofar as the property which is in
15 question is both depreciable and mobile and there is always concern by Movant with reference to
16 this type of property concerning the continued use by the Debtor when payments are not being
17 made. Movant has no objection to waiting fourteen (14) days with reference to the sale after
18 entry of Order.

19 CONCLUSION:

20 For the reasons set forth herein, Movant requests entry of an Order Modifying Stays
21 against lien enforcement; and granting such other and further relief as is just.

22 RESPECTFULLY SUBMITTED this 8th day of June, 2010.

23 **JABURG & WILK, P.C.**

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25 s/ Ronald M. Horwitz
26 Ronald M. Horwitz
27 Attorneys for Movant
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COPY of the foregoing mailed
this 8th day of June, 2010, to:

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